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Market News Leaflet 14

Washington, D. C. March 1965

UNITED KINGDOM'S FISHING INDUSTRY, 1964[1/]

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FISH & WILDLIFE SERVICE

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Issued by Fishery Market News Service, Division of Resource Development, Bureau of Commercial Fisheries, U.S. Fish and Wildlife Service.
1/ Information supplied by United States Embassy, London, England.
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I. INTRODUCTION AND SUMMARY

Although the value of Britain's fish catch has been increasing since early 1963, the larger earnings have not been sufficient to offset the poor results of 1961 and 1962 and important sections of the fishing fleet continue to be in serious financial difficulty. In addition, radical changes are needed in the shoreside pattern of distribution and marketing.

The improved tonnage and value totals for wet fish landings have been due to a general strengthening of prices and to a sharply heavier sprat catch.

The official White Fish Authority believes that the adequate return to the producers necessary to the survival of the industry can be achieved only through a maintained increase in prices, together with stability measures to protect producers from the effects of periodic gluts. The Government's current policy on prices does not give the White Fish Authority much cause for optimism.

Per capita fish consumption reached a new low in 1963, some 23 percent less than prewar. Standards of quality must be improved and market promotion stepped up if fish is to compete successfully against the wide range of foods now available.

Britain continued to be a net importer of fish. There was a drop in imports because of reduced purchases of canned salmon and of a decrease in landings directly from foreign trawlers. Exports were up, with the pattern of trade with Russia and Australia displaying notable changes. Trade with the United States was not heavy. The weight of imports fell but value remained fairly steady, while exports rose but value dropped. The market for U.S. products remains limited.

The size of the fleet has continued to fall and the shortage of sea-going labor remains a matter of grave concern.

The main reasons for the diminishing profitability of the British fisheries are the relative old age of the fleet and changes in traditional fishing grounds because of biological modifications and the general extension of national fishing limits. The Government is actively pushing its plans to modernize the fleet and make it more productive and efficient.

Government assistance programs have continued at high levels and have in some instances been enlarged in scope. Although this assistance has represented an important proportion of the value of the catch, the industry is not financially healthy and it would be premature to predict the final phasing out of the programs.

II. CATCH, SIZE OF FLEET AND PERSONNEL

a) CATCH

Total Catch

Landings by British vessels increased in weight and value in 1963, with the value of wet fish reaching a record level of £51 million. There was also a continued slight increase in the value of shell fish landed.

Provisional figures through November, 1964 indicate that the upward trend has continued.

Catch by Fleet

In 1963, the inshore fleet had a reasonably satisfactory year, thanks to substantially heavier Scottish landings, and the catch of the near and middle water fleets increased in weight and value. Landings by the distant water fleet, which made up some 45 percent of the total catch, were down from the 1962 tonnage and value. The shortage of distant water fish, due in large part to a decline in the number of vessels, did, however, lead to a marked strengthening of prices in this area.

Catch by Type of Fish

1963 saw a two percent drop in the demersal catch although the value rose by £2.2 million. Demersal fish as in the past constituted over 90 percent of the total catch value. Cod continued to account for approximately one-half the demersal catch, and there were increased landings of plaice and saithe. Notable decreases were registered in haddock and hake. Landings during the first ten months of 1964 were higher than those for the corresponding 1963 period. In England and Wales more plaice and saithe were taken, but there was a drop in cod as well as in haddock and hake. In Scotland, during this period, haddock, the leading species, showed tremendous improvement; herring was also up, and cod fell.

The 1963 pelagic catch was up sharply. More herring was caught, but the general increase was due largely to the heaviest Scottish sprat landings on record, almost four times the 1962 figure. The value of the pelagic catch was up, but first hand returns for the slightly increased Scottish herring catch fell by £100,000 due to oversupply during the summer months. The 1964 pelagic catch has slipped. The total herring catch shows a downward trend, and Scottish sprat landings are down from the high totals of 1963, although this year the English and Welsh sprat landings are running substantially higher than in 1963.

The 1963 shell fish landings continued up in value and showed a quantity increase for the first time in five years. The 1964 trend showed further increases in value, with a possible slight drop in weight.

b) FLEET

The number of effective vessels in the fleet dropped again in 1963. There has been an accelerated swing toward a new pattern in the distant water fleet with the increased construction of freezer trawlers, and recent statements by large companies have recorded ambitious plans for a further extension in this type of vessel. On September 1, 1964 there were some £10 million worth of orders for fishing vessels outstanding.

c) PERSONNEL

The continued drop in the number of full and part-time fishermen is a matter of concern and the tight British labor market is certain to make future recruitment even more difficult.

So far, although the average age of fishing crews is increasing, new material developments have allowed the catch per man to remain fairly constant, and even to rise somewhat in Scotland.

III. PROCESSING, MARKETING AND CONSUMPTION

a) PROCESSING

Quick freezing production continued at a lower rate than home demand in 1963, with a resulting depletion of stocks; demand increased by 17 percent, as against a production increase of only one percent. Production of consumer packs did, however, for the first time, exceed that of bulk or catering packs.

Consumer demand for quick frozen fish continues to be strong and production will undoubtedly increase, particularly as more large trawler-owner groups enter the market with their own house brands.

Less herring was consumed fresh or kippered in 1963, while more was sold for pet food, and the amount reduced to fish meal or oil rose, although not to the 1961 level.

The 1963 output of fish meal was 72,500, less than one ton over the 1962 figure, but provisional figures for 1964 indicate that production has increased to some 78,000 tons.

b) MARKETING

The marketing system has continued to be largely outdated and emphasis is on steps to make the industry more efficient.

As the cost of catching fish increases, first-hand prices must increase and be stabilized if the industry is to become self-sufficient. The White Fish Authority supports the minimum price schemes now in operation but finds them of limited value because of their inconsistency from port to port and would like price floorings to cover all fish supplies, including imports.

Since prices cannot be raised successfully without substantial improvements in the standards of quality, hygiene, packaging and presentation, the Authority has made this an important part of its program. There are also plans for streamlined market promotion to convince housewives of the nutritive value of fish.

The White Fish Authority has not had much success in obtaining parliamentary approval of its proposals because of the relatively good returns of 1963 and 1964, but they will continue to press for improvements along these lines.

An increasing share of the market was taken over by large groups of trawler owners marketing frozen fish under their own brands, and retail sales of quick-frozen fish continued to rise.

In early 1964 merchant groups at the fish ports found the British Railways cuts in fish train schedules unacceptable and worked out road transportation arrangements. This has become common practice and before long practically all fish will be trucked from the major fishing ports to marketing centers.

The trend toward freezing at sea has raised speculation about the future of the major trawling ports, Hull, Grimsby and Fleetwood. Many wonder whether they are ready to cope with the influx of frozen fish and whether the harbors are in fact the best available for rapid berthing, servicing and turnaround. It may be difficult for existing labor to adapt to the radically different discharge methods, while frozen cargo can fit into the facilities available at commercial ports. The traditional fishing ports will therefore have to compete with commercial ports such as Southampton.

c) CONSUMPTION

Britain's up-and-down trend in fish eating reached a new low in 1963, according to provisional figures released by the Board of Trade

in October, 1964. Per capita consumption of 20.2 lbs. was down from the 1962 figure of 21.5 lbs. and was 23 percent less than prewar.

Per capita consumption of fresh, frozen and cured fish was down at 16.8 lbs., and that of imported canned fish fell 20 percent to 2.6 lbs. The only increase was in shell fish which went from 0.7 lb. to 0.8 lb., only 0.1 short of the prewar figure.

IV. FOREIGN TRADE INCLUDING TRADE WITH U.S.

FOREIGN TRADE

The United Kingdom is a net importer of fish and, in fact, needs imports, particularly of quality fish, to supplement its own production. Much imported fish is landed directly from foreign fishing vessels at British ports.

Apart from a low tariff protection, the market is free of trade barriers, although Britain's three-part customs tariff does give tariff advantages to Commonwealth Countries as well as to those of the European Free Trade Association (Sweden, Norway, Denmark, Austria, Switzerland, Portugal and the U.K.).

Illustrative of the low tariffs imposed, fresh, chilled or frozen salmon may be imported free of duty, while the full duty on other fresh fish is from five to ten percent. The full duty on frozen or dried lobster and shrimp is ten percent and that on oysters not in the shell is 30 percent, on canned salmon five percent, and on canned tuna eight percent.

Imports

U.K. imports of fresh, frozen, cured and tinned fish in 1963 decreased appreciably in weight and value due to a drop in imports of canned fish, especially salmon from Japan, and to reduced landings directly from foreign fishing vessels. Denmark, Iceland, and Norway remained important suppliers of fresh, chilled and frozen fish, and Japan supplied over one-half of the canned fish imports.

Imports of whale meat and meals and oils made from fish and marine animals probably decreased, although figures are not directly comparable because of a change in classifications introduced in 1963.

Imports of fresh, chilled and frozen fish for the first eleven months of 1964 show a tonnage increase over 1963 as well as a rise in value.

Exports

U.K. exports of fresh, frozen, cured and tinned fish were up in tonnage and value in 1963, with most items sharing in the improvement. The main markets were Australia and France, while Belgium, Ireland, Italy and U.S.A. were big purchasers. Frozen fish, which forms the bulk of exports, registered a notable drop of 37 percent in the Russian market but an increase of 64 percent in sales to Australia.

Exports of meals and oils rose but, as in the case of imports, figures are not exactly comparable because of classification changes.

Sales to Australia continued to increase and those to Russia to decrease during the first eleven months of 1964. Total exports were running lower than 1963 in tonnage but higher in value.

Trade with U.S.

Total U.K. purchases of fish and fish products from the U.S. fell from 17,500 long tons in 1962 to 4,200 long tons in 1963, but value fell by only £220,000, to £2.4 million. Notable was a 500 percent increase in U.K. imports of U.S. fresh, chilled and frozen salmon.

Total U.K. sales to the U.S. rose in 1963, although there was a slight drop in value. Almost half the sales to the U.S. were of herring.

The potential U.K. market for U.S. fish is limited to specialty items such as salmon and freeze dried shrimp. Live eels have been in short supply during recent months and merchants have sought to purchase from the United States.

V. FISHERIES LIMITS

The European Fisheries Conference ended in London on March 2, 1964, with the adoption of a Convention enabling signatory powers to regulate fisheries within a 12-mile zone, subject to certain concessions to foreign fishermen. The Conference also passed a resolution in general terms on the subject of access to markets, and urged intensified action on conservation by the signatory states, although it failed to reach international agreement on this important subject. It called upon the U.K. to invite certain states to a later technical conference on the subject of policing the North Sea fisheries. This conference is planned for late 1965 and a preparatory meeting will be held in London beginning April 16, 1965.

Britain signed the Convention on March 9, 1964, subsequently concluding bilateral agreements with Norway, Poland and Russia covering fishing rights within their respective limits, and she formally adopted a 12-mile limit on September 30, 1964, when the Fishery Limits Act (1964) became effective. This added some 20,000 square miles to Britain's exclusive fishing zone, quadrupling the area under national control.

Main beneficiaries of the new British limits will be the inshore fishermen who will, by 1966, be able to fish within a six-mile limit without the interference of foreign fleets.

The distant water fleet will get no relief since Iceland did not accept the Convention, which would have meant recognition of certain traditional British rights in Icelandic waters. The British are thus barred from much of the choice fisheries around Iceland, and they view the future with pessimism since they feel that Iceland intends eventually to enclose the entire shelf around her shores within the area of her national limits.

The situation of the middle water fleet is causing the greatest concern of all. Denmark adopted the Convention with respect to her own coastal waters, but not with respect to those of Greenland or the Faroes. The exclusive 12-mile limit imposed by the Faroes in March, 1964 has excluded British fishermen from their only real middle water fisheries. An association of British producers has retaliated by imposing an unofficial but effective quota on Faroese fish landings in U.K. ports. The situation has shut off Faroese fleets from their natural market but the resulting shortage of fish has been hard on British fish merchants, retailers and consumers. It appears that discussions at government level will be required to seek a solution to this problem, but so far none seem to be planned.

VI. GOVERNMENT ASSISTANCE

Notwithstanding the improved earnings since 1963, the earnings of the fleet as a whole have not been enough to cover depreciation and provide a reasonable return on investment.

The operating subsidies have been reduced at the minimum yearly rate of 7.5 percent for the period 1962-64 and supplementary payments have been high. The reduction rate for 1965, which is to be announced soon, should be raised in order to permit elimination of operating subsidies as scheduled by 1972, but trawler operators are expected to resist a faster reduction because they continue to operate under financial difficulties.

1963 operating subsidies totalled some £5 million and those for 1964 are estimated to be only about £500,000 less. 1963 supplementary payments of £340,000 were close to the statutory limit.

Loans and grants for new investment in 1963 were at their lowest level in ten years. Policy since 1963 has concentrated on encouraging the construction of freezer trawlers and the program was broadened in 1964 to provide additional assistance for the construction of this type of vessel and to permit grants for improvements in existing vessels.

Arrears in loan repayments continued to be a matter of grave concern and, as of May 1, 1964, they totalled £1.5 million, having increased by £250,000 in one year. Although arrangements for deferred repayments were made in many cases, the White Fish Authority was forced to take over ownership of more trawlers and, as of July, 1964, had a fleet of seven vessels.

The White Fish Authority has also made loans for processing plants and to assist in the establishment of fishermen's cooperatives.

VII. RESEARCH AND DEVELOPMENT

Principal developments have been in connection with freezer trawlers capable of fishing over the stern. It is expected that the distant water fleet will eventually include some 30 of these vessels. Freezing at sea will maintain freshness, thus allowing longer fishing voyages and reducing the fluctuations in supply and demand which have an unstabilizing effect on the market.

Since the fleet is still made up largely of non-freezer type trawlers, successful experiments have been conducted in super-chilling, prior to packing in ice, as a means of improving quality.

Boxing at sea had long been common in inshore to middle water fleets but had not been used in distant water trawlers. It has now been tried and has resulted in less damage during unloading and transportation.

There have been further experiments in the use of antibiotic ice, but the value of this procedure is felt to be marginal since it is effective only with respect to fish that has been on ice for over ten days.

The industry feels that northern waters are being overfished and the White Fish Authority is sponsoring exploratory fishing voyages to

South Atlantic waters. Specimens of the catch are flown to Great Britain for laboratory examination and to be offered in the markets to test consumer acceptance.

Research was also conducted in 1964 on plaice farming, with a successful increase in the ratio of births to eggs.

Marketing tests were conducted on sausages and other foods made with fish.

Quantity and Value of Landings by British Vessels for the Period January 1-November 30, 1964, with Figures for the Corresponding Period of 1963

	Quantity in Long Tons		Value £000	
	1964	1963	1964	1963
Total Demersal	624,900	603,221	46,989	43,759
Total Pelagic	118,309	128,989	2,886	2,909

1£ = $2.80

Source: Ministry of Agriculture, Fisheries and Food

British Landings of Seafish by Selected Kinds (England and Wales, January 1-November 30, 1964; Scotland, January 1-December 31, 1964

Kinds of Fish	England and Wales Jan.1-Nov.30, 1964		Scotland Jan.1-Dec.31, 1964	
	Long Tons	Value £	Long Tons	Value £
Cod	232,091	17,663,971	45,557	3,841,105
Haddock	56,925	5,016,519	86,929	4,832,677
Hake	4,962	1,235,073	n.a.	n.a.
Plaice	32,703	4,349,431	n.a.	n.a.
Herring	16,560	711,357	78,923	1,958,495
Redfish	16,302	519,724	n.a.	n.a.
Saithe	30,315	1,095,538	n.a.	n.a.
Sprats	11,006	95,904	n.a.	n.a.
Shell Fish	13,864	1,134,248	10,796	1,589,141

Source: Ministry of Agriculture, Fisheries and Food

Fresh and Frozen Wet Fish Landed in Great Britain by Selected Foreign Countries, Period January 1-November 30, 1964

Country	Quantity in Long Tons	Value £
Belgium	5,949	729,363
Canada	4,702	937,532
Denmark	26,457	5,258,832
Faroe Islands	11,423	1,007,671
West Germany	5,880	539,830
Iceland	27,147	2,704,264
Irish Republic	1,616	195,000
Japan	1,528	415,834
Netherlands	5,442	996,038
Norway	18,989	2,767,563
Sweden	5,274	224,438
U.S.A.	1,323	46,273
Total by Fishing Vessels	46,121	3,553,992
Total by Other Vessels	72,043	12,850,181
Total Wet Fish	118,175	16,404,173

Source: Ministry of Agriculture, Fisheries and Food